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## PRINCIPLES OF ADMINISTRATIVE MANAGEMENT

by

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Before addressing ourselves to the subject of "administrative management" I suggest that we pause long enough to establish a base of operations. It is sometimes said that "Nothing makes a man more self-satisfied than a bad memory". Too often we like to forget our mistakes and our deficiencies. In the 1920's the Federal Government operated in an atmosphere sometimes referred to as "normalcy". In the 1930's and since that time we have experienced a series of emergencies attributable to (1) economic depression, (2) defense preparations, (3) participation in our greatest war, (4) inflationary developments, (5) an uncertain period described as "the cold war", and (6), coming down to date, the prospect of "competitive co-existence" with foreign nations antagonistic to our interests. These emergency conditions, largely unprecedented, have forced the Federal Government to improvise new organizations, new policies, new methods for dealing with the multitude of new problems, large and small, encountered along the way. Administrative management, I think we may conclude, has had a considerable challenge during these crises, and a great deal of experience has come to Federal administrators in the process.

Another memory exercise of importance to our discussion is this: Public administration as a subject of study is relatively new. The first American textbooks on public administration were written about 1927, less than thirty years ago. This development, too, has a history. Excesses of the spoils system in our national government gave rise in the 1880's to a civil service reform movement. A little later local citizens were active in municipal reforms, to improve local government administration. Early in the 1900's Frederick W. Taylor had experimented with the application of scientific methods to the organization of work; in shop and factory where production efficiency could be measured, he began controlled experiments by testing hypotheses to establish a basis of recognized principles which would make prediction possible. One notable study concerned the cutting of metals. He isolated factors such as lathe speed, feed, depth of cut, and shape of tool. In the same manner that you yourselves control certain factors in order to experiment with a variable, he sought to determine the best and most economical combinations. He published in 1911 his well-known book on "The Principles of Scientific Management". It may be noted that about the same time President Taft appointed a Commission on Economy and Efficiency, and that it was the work of this body which paved the way for the Budget

and Accounting Act of 1921. It was at this stage, too, that there existed in the Treasury Department a Bureau of Efficiency -- 1913 to 1933 -- which undertook to introduce better methods of administration government-wide.

In these remarks I am attempting to trace trends that seem significant to an understanding of our situation today. Pressing emergencies certainly have influenced our thinking and the way we go about our jobs. We have a growing awareness of certain principles underlying the scientific management of large enterprises and better knowledge of techniques applicable in improving work performance. You people in the research field have observed scientific and technological changes in recent years of a similar nature, even though different in kind. But I invite your attention particularly to the efforts made to improve the public service by intensive study and analysis on a broad scale. In 1937 Louis Brownlow headed the President's Committee on Administrative Management which reported five basic recommendations:

1. Strengthening of the White House staff for the proper exercise of the President's executive powers.
2. Strengthening of central managerial agencies, such as the Budget Bureau and the Civil Service Commission, to make them more effective tools of management.
3. Extension of the merit system to attract to the career service the best talent of the nation.
4. Reorganization of the Executive Branch into a few large departments.
5. Revision of the fiscal system to attain improved accountability of the Executive to the Congress.

Despite controversial elements in these proposals we have seen the adoption of many steps in the general direction outlined.

The problems were again attacked by the Hoover Commission on "Organization of the Executive Branch" which in 1949 reported responsibility and accountability impaired because (1) authority was diffused, (2) lines of authority confused, and (3) staff services insufficient. That body found management principles violated in eight major areas:

1. The executive branch was not organized into a workable number of major departments and agencies.
2. The line of command and supervision from the President through his Department heads to every employee was inadequate.



3. The President and Department heads lacked the tools (staff assistance) to frame programs and policies and supervise their execution.
4. The Federal Government did not have a mechanism for building a corps of capable administrators.
5. Regulations and statutes were considered unduly detailed and rigid.
6. An improved budget process was recommended -- what has come to be called "performance budgeting".
7. Accounting methods were held to need standardization and simplification, as well as decentralization.
8. General administrative services were viewed as poorly organized and coordinated.

Whether the shoe fits, as we hear these comments summarized in this brief fashion, is not material; the important thing is that the Federal Government is expected to conform itself to recognized standards of administrative management applicable to other types of large-scale enterprise. Unless we know and practice those principles we fail to contribute to the public service the elements that gain and hold public respect for our administrative capacity.

During the various national crises to which I referred there has been an influx into the government of management talent from corporate enterprises and from the academic world. The several commissions organized for study of the Executive Branch, including the current Hoover Commission, have included people of renown in the management field. Those of us in the career service, I submit, have gained much from this association and we should welcome the cross-fertilization that gives the Federal Government the opportunity to benefit from the experience and resources of private business. When Charles E. Wilson of the General Electric Company, for example, headed the National Production Authority, he explained his concept of administration in four words:

Analyze  
Organize  
Deputize  
Supervise

A condensed statement of this kind, of course, is similar to saying that baseball is a game played around four bases -- without mention of the varied skills players must possess at their respective positions, and the variety of plays that occur in the course of the game. I'm sure Mr. Wilson could elaborate the terms he used, citing in detail their application. Perhaps you will permit me to borrow the terms and apply them as I think they fit our approach to administrative management in U.S.D.A.

First, the word ANALYZE. As a management principle, gathering of facts is essential to full understanding of a situation. But the facts themselves often are contradictory in some degree, or they may even reveal a conflict of interests. Analysis is the effort to penetrate the facts and evaluate their significance. This emphasis upon fact-finding and analysis is meaningful in management terms because it becomes a source of guidance. Ordinarily we are guided by our experience, by pre-conceived ideas, by the opinions of others, perhaps by hasty ill-formed judgments. The discipline of fact-finding and analysis is protective in directing our attention to the situation as it is, rather than what we may imagine it is.

There is another impelling reason why an administrator or management official should tie his actions to careful analysis of facts. Psychologists tell us that all action is preceded by a mental image. They say, too, that action can be neither better nor more exact than the mental image that precedes and guides it. A major aim of management is to influence others to take actions which management has decided are correct. If an executive cannot shape up in his own mind a clear concept of policies, objectives, programs and organization structure, and cannot produce a clear picture in the minds of others, he is seriously handicapped. To make this point crystal clear as it applies to our own operations, the reason why we promote the use of written policies, clearly defined objectives, organization charts, and careful planning of programs, is because these devices help to project the mental image the administrator has of the job to be done. U.S.D.A. activities are for the most part decentralized, which justifies stress on another point. It is possible for top-management to spend months formulating a clear concept of a course of action, gathering and analyzing the relevant facts. The next executive level may learn the results of these deliberations in one or two brief meetings. Supervisors at lower levels may receive sketchy explanation or perhaps an advisory memorandum. In consequence, the original image has become hazy by the time it reaches those who must actually effectuate the design. If we are not conscious of this problem we may be inclined to belittle "paper work" and "meetings". We should be mindful that careful formulation of objectives and policies is not enough; accomplishment rests on adequate transfer of the idea to the operating level. How best to do that is a continuing management problem, but certainly initial effort in fact-finding and analysis is a pre-requisite to the formulation of the clear picture we want to convey.

The second phase of management we might discuss is ORGANIZATION. I suspect we all are very conscious of, even sensitive about, organization and re-organization. Just as technological advances in scientific fields bring about shifts of emphasis and new insights into the horizons of research, which shape up different approaches to a problem, so it seems to me we need to think of organization as something dynamic. When we set about to ORGANIZE, we think essentially about a division of labor that will contribute effectively to the total job required of us. That principle is easy to grasp. In the physical sciences we have specialization into different disciplines, and within each discipline further specialization is involved in order that ever increasing competence may be attained. A corollary to



specialization is coordination. At this point we seem to be talking in contradictory terms, because to coordinate obviously involves some curtailment or regulation of specialization. The seeming conflict is resolved, I think, when we consider the over-riding objective. A symphony orchestra will serve to illustrate the point. Each of the musicians obviously is a specialist, capable of individual perfection perhaps in playing an individual instrument. The director has a coordinating role. To give significant meaning to the joint efforts of the director and the specialized artists they must have an agreed-upon pattern of performance, a musical score -- what we might call an objective. With an objective determined upon, specialization and coordination combine to produce a desired result.

We need only reflect upon the structure of the Federal Government to observe a classic example of organization principles.

1. There must be determination of something to be done -- that is the function of the Congress.
2. There must be performance of the job -- that is the function of the Executive Branch.
3. There must be provision for interpretation, for decisions on questions that arise -- that is the function of the judiciary.

Translated into our own operating terms, these are line functions:

1. The administrator determines what should be done.
2. Branch heads carry responsibility for performance.
3. Judgment or interpretation of results is in part internal -- the review of work accomplishments; and in part external -- the scrutiny exercised by tax payers and farmers of the nation in satisfying themselves that we are productive and effective.

In addition to line functions constituting the mechanism for control and supervision of work, we should recognize also staff functions auxiliary to the direct line of responsibility. Staff services are considered to be informative and advisory, invested with the "authority of ideas" but not the authority of command. This concept may deserve some elaboration. Recognizing the complexity of large organizations, whether in business or government, it is certainly desirable that without infringing the direct responsibility of line officials that they be assisted in important aspects of their jobs. For knowledge of their financial resources and rate of expenditure, they need the assistance of budget and accounting people. For knowledge of their manpower resources, channels of recruitment, methods of training, and proper utilization, promotion, etc., they need the assistance of personnel people. We could add to the list other administrative services, legal advice, informational activities, library aid, etc., -- any

type of specialized service to a line official that becomes in his hands a management tool helpful in doing the primary job.

From the standpoint of organization, important considerations are these:

1. Line officials carry direct responsibility.
2. Staff positions exist to give advice or assistance wherever or whenever required by any part of the organization, as a law firm or a consulting engineer might serve a client. A staff service recommendation, accepted by a line official, thereby becomes his decision.

This matter of staff and line relationships has interesting aspects, particularly in the organization around the head of a large Federal Department. That was the subject of a lecture delivered in the Department Auditorium several years ago by Paul Appleby, a former Under Secretary of the Department of Agriculture, who left government service to head the Maxwell School of Public Administration at Syracuse University. He directed attention to the institutional coordination necessary to deal with the intertwining of interests between agencies, between Departments, and between domestic and international policies. For inter-Departmental functioning and better projection of policy and administration in terms of the national public-interest, he recommended "staff organisms around Department heads whose sole reason for being rests in the functions of projecting policy and administration into governmental and international terms"; and behind these, staff agencies adequate to develop agency policy and administration into Departmental terms. "The primary staff purpose", said Mr. Appleby, "is to help translate the specialized thinking, specialized policy, and specialized administration of Department agencies and individuals into public policy and public administration." In other words, such staff should synthesize the product of its own work and the product of operating agencies to serve the Secretary by providing him with perspective in terms of his interests, functions, and responsibilities. They equip him with various views and judgments from which -- in connection with reports and recommendations from agency heads, and in the light of his dealings with the President, the Congress, and the public -- he is enabled to arrive at the best judgment of which he is capable.

We have been discussing Organization as a phase of administrative management. We have said that we organize after we analyze. Our goal is to help people on the job understand:

1. What they are supposed to do;
2. What constitutes a job well done in terms of specific results;
3. What their relationships are with other people.



The third concept of management to which I invite your attention is the word DEPUTIZE. Obviously it should be linked with organization, but it goes beyond that in the administrative process. In the discharge of its functions management must think, judge, decide; however, a major part of the job is getting results through others. An executive at any level is, after all, just one man. That he occupies a certain chair may carry certain elements of prestige, authority, and rewards, satisfying to him perhaps but not in themselves sufficient for results. Lawrence Appley, President of the American Management Association, points out that we might as well say "the uniform makes the man" as assume that the incumbent of a position thereby gains capacity for success. The executive must, within the framework of a situation which he understands (through analysis), and with an objective for which he is equipped (through organization), exercise the responsibility for making things happen, for getting things done. To do that requires that the executive DEPUTIZE, or DELEGATE to others, some or nearly all of the action to be taken; his own responsibility he cannot delegate. At this stage he must influence others. Much study has been directed to this area of management, and theories about it are numerous. Among the newer theories are those based on psychology and sociology, which emphasize attitudes and incentives different from the old-fashioned instincts of power and prestige. One writer (Thomas H. Nelson, a consultant on management problems) describes six ways of getting results through others:

Force	Persuasion
Fear	Rewards
Authority	Satisfactions

Of this list the first three "go against the grain", as we might say. The latter three, Mr. Nelson groups into what he calls "consultative management". Persuasion rests on letting people know WHY the job to be done is important. Rewards are the tangible incentives, the willingness to pay, to promote, to entrust responsibility for a job well done. Satisfactions are the intangible advantages people can feel when they have a sense of security, recognition, influence, opportunity, and dedication to a cause or goal deemed significant -- something bigger than one's self. Another word for all of this is TEAMWORK. A sound reason for delegation of authority is the fact that people working together should be free to contribute to the team effort without the hindrances encountered when action is contingent upon approval from a remote source, no matter how high. We all recognize the need for certain controls, as a part of the management process, but equally we should recognize the benefits that accrue when people are deputized to carry out the responsibilities incident to their jobs. I refer to delegations in fact, and not merely paper authority to act -- which may be abridged in the practices really followed. Lip-service to the ideal is self-defeating.

We have left until last that aspect of management which appears often to be most emphasized, namely to SUPERVISE. I do not intend to elaborate

this point, except to dwell on one of the newer techniques of supervision. Perhaps not all of you will see a connection between supervision and Internal Auditing. In the foregoing discussion, we have developed the concepts of administrative management involved in ANALYZING, ORGANIZING, and DELEGATING. The SUPERVISION exercised by line officials is of equal concern to an administrator. Let us recur also to the subject of staff assistance. For information on how agency activities are progressing, what difficulties are being encountered, where problems exist, the administrator must depend, in part, on reports, personal contacts, and the flow of communications up and down the line. These methods, of course, are helpful; but there is no substitute for what Mr. Loveridge of the Forest Service calls "Go See!" Internal audit is a "go see" function performed as a staff service. In April of last year the Department issued a statement on internal audit in which it was defined as "an independent activity within an agency to ascertain for management whether its policies and procedures are adequate and properly adhered to; to provide management with systematic and objective appraisals of internal controls and operating procedures and practices; and to verify the accuracy and reliability of the financial records and reports." It seems to me that this kind of activity, properly carried out, gives comforting and necessary assurance to the chief executive of an agency that decentralization and delegation of authority, both so vital in conduct of operations on a national scale, do not undermine his inescapable responsibility for over-all results. Internal auditing, from this standpoint, is the good right arm of management; or, differently expressed, it serves as the eyes and ears of management.

But the internal auditor also provides a link between top-level management and operating management, between those who determine policy and program objectives and those who execute the policies and carry out the programs. In decentralized operations, particularly, it is desirable to obtain balance between headquarters direction and field-point discretion. The problem is one of encouraging initiative, flexibility, and self-development among field people consistent with over-all unity in the organization. Supervisors at lower levels of organization benefit from the constructive work of the internal auditor in two ways:

1. There is assurance that their activities are being carried out effectively and in accordance with established policies and procedures.
2. There is opportunity for correction of policies and procedures found in actual operation to be perplexing or even inapplicable.

I have brought internal auditing under the head of Supervision because it can render assistance to supervisors at all levels. It is the function of supervisors to review performance in terms of results accomplished, to secure adherence to objectives and plans, to assure the attainment of acceptable standards. We look to internal auditing to provide effective staff assistance in achieving these things. In an organization such as



ARS, where many small units exist at widely scattered places, the internal audit function can be an integrating and supporting influence in dealing with problems of long-range supervision.

Our consideration of administrative management principles would be incomplete if we failed to take into account the relationships in the Federal government, between the legislative and executive branches. We share with private business an interest in the development and application of management principles; we differ from private business most markedly in our responsibilities. In private business executives have the right, after being empowered by the board of directors, to move with virtually one major objective, which is to produce a profit. In government we use the term "pressures" to identify the needs and expectations of the diversified society that exists in our country. A diversified society must reflect its divisions in the composition of the national legislature, if the people are to be represented in a democratic manner. Not only do we have a separation of legislative and executive powers under the Constitution, to be respected as defining appropriate spheres of action, but also a difference of political perspective: the viewpoint of the President as head of the executive branch is essentially national; individual members of Congress are influenced by political roots at the local level. These stark realities necessarily affect administration and management in the public service.

Perhaps the best solvent for the ever-changing and often subtle problems of legislative-executive relations is a durable procedure for cooperation. In the Department of Agriculture it has become traditional that we manifest the will to cooperate. That cooperation, in part, means that we keep Congress informed of plans, progress, results; it also means that we keep faith with the intent of Congress in those things we are empowered to do. It means also that in the preparation of correspondence with "the Hill" we put forth the effort necessary to explain fully matters of interest to members of Congress. It is a source of satisfaction to me that I frequently hear commendation of the Department on the handling of legislative reports. When staff-members of Congressional committees and persons employed in Congressional offices can depend upon us to respond promptly and graciously to requests for information, we do much to dissipate tensions that otherwise tend to grow.

I do not feel that I can stress too much the importance of this topic. Since our time is limited, however, I leave with you this suggestion. The Graduate School sponsored a series of eight lectures in 1953 on the subject of "Legislative-Executive Relationships", memorial lectures in honor of William A. Jupp and I. Thomas McKillop, both of whom contributed in large measure to improved administrative management in the Department. The lectures appear in a Graduate School publication that I recommend for your reading.

I think we can be proud that the Department of Agriculture has a good reputation for its efforts in the field of administrative management. We intend to justify and keep such a reputation. We can do so only by staying



in the main stream of progress in this area, as in other areas of operation. All of us appreciate the respect and good-will of our fellow citizens. Too often in the public service, however, we encounter carping criticism from those ill-informed. I was gratified recently to read the observations of a visitor in Washington who dropped in to see some of the people with whom he had previously had correspondence. Before his visit they were only NAMES. He wrote about them afterward in his own publication in these words:

"-- we were treated as cordially as if we had been a Senator --. During the day we met many -- 'bureaucrats' of the Department of Agriculture, and stuck our noses into many offices, and we can report to you that not one of the folks we met was asleep at his desk, playing canasta or doing anything but w-o-r-k. - - - -

"There probably are drones in some Washington groups, and there may be a certain amount of 'bureaucracy' there as well, but let's be fair and recognize that for every loafer or stuffed shirt in the Federal Government, there are probably hundreds of regular folks like the ones we met on our trip, doing a hard job conscientiously and efficiently, regardless of sex, political affiliation or title!"